The Future of Ease of Doing Business in India: Opportunities & Gaps

Introduction

Over the past decade, India has worked steadily to make it easier to start, run, and grow a business. Many rules have been simplified, approvals have moved online, and delays that once slowed businesses down have reduced. Instead of focusing only on global rankings, the attention has shifted to fixing real problems that businesses face on the ground.

As India looks ahead, the focus is now on what comes next. Digital systems, infrastructure growth, and innovation are opening new opportunities, but gaps still remain in areas like land, courts, and state-level consistency. This article looks at where India stands today, what is working well, where challenges remain, and how **ease of doing business** may evolve in the coming years.

Evolution of Ease of Doing Business in India

India's approach to ease of doing business has changed significantly over the last decade. The focus has moved from fixing basic entry barriers to building a stable and competitive business environment that supports long-term growth.

Early Reform Phase and Global Rankings

India began serious ease-of-doing-business reforms around 2014. At that time, starting a business, paying taxes, and resolving disputes involved long delays and multiple approvals. Reforms in company registration, insolvency resolution, and tax systems helped improve efficiency. These efforts pushed India's global ranking from a low position to a much better standing by 2019.

Shift Away from World Bank Rankings

After the World Bank stopped publishing its Doing Business report, India shifted its focus inward. Instead of chasing rankings, reforms started targeting actual outcomes. The goal became improving ground-level experience for businesses rather than meeting score-based indicators.

Move Toward Competitive Federalism

States began playing a bigger role in reforms. Central frameworks encouraged states to simplify rules, digitise services, and compete with each other. This created healthy pressure to improve approvals, inspections, and investor support across regions.

Key Policy Reforms Driving Ease of Doing Business

Policy reforms over the past few years have focused on reducing friction between businesses and government systems. The aim has been to cut delays, remove unnecessary penalties, and make rules easier to follow. These reforms form the backbone of India's current ease of doing business framework.

Business Reforms Action Plan (BRAP) 2024

BRAP 2024 is a major reform framework led by the central government to improve business regulations across states. It focuses on simplifying approvals, improving transparency, and using digital tools for faster services. States are assessed on how well they implement these reforms, which encourages competition and quicker adoption.

Compliance Reduction and Decriminalisation

A large number of outdated and overlapping compliances have been removed or simplified. Minor business offences have been decriminalised to reduce fear of penalties for procedural lapses. This shift helps businesses focus on operations instead of managing legal risks.

National Single Window System

The National Single Window System brings multiple approvals and licences onto one digital platform. Businesses can track applications, access state and central services, and reduce manual follow-ups. This system improves predictability and saves time during setup and expansion.

Sector-Focused Regulatory Changes

Reforms have also targeted specific sectors such as manufacturing, telecom, logistics, and startups. These changes address sector-specific bottlenecks, making policies more practical and aligned with business needs.

Sector-Specific Opportunities for Business Growth

India's ease-of-doing-business reforms have opened up clear opportunities across key sectors. Instead of one-size-fits-all policies, recent changes focus on addressing sector-specific barriers and supporting areas with high growth potential.

Manufacturing and Industrial Expansion

Manufacturing continues to benefit from targeted policy support. Incentive schemes, simplified approvals, and improved logistics are helping firms scale operations and integrate into global supply chains. Faster clearances and stable tax structures make long-term capacity planning easier for manufacturers across electronics, pharmaceuticals, and textiles.

Services and Technology-Led Sectors

India's services sector remains a strong growth engine. IT services, fintech, and digital platforms benefit from regulatory clarity, digital infrastructure, and a skilled workforce. Easier compliance and cross-border trade processes support export-driven service businesses.

Startups and New-Age Businesses

Startup-focused reforms have reduced entry barriers through quicker registrations, simplified tax rules, and access to funding platforms. Support for innovation, incubation, and digital operations has strengthened India's position as a leading startup destination.

Emerging High-Growth Sectors

Sectors such as renewable energy, electric mobility, agri-tech, and e-commerce are gaining momentum. Policy support and infrastructure investment are creating space for new business models and private investment.

Persistent Gaps in Ease of Doing Business

Despite steady progress, several structural and operational gaps continue to affect the overall business experience. These issues often create delays and uncertainty, especially during large investments or expansion across states.

Regulatory Complexity Across States

Business rules and compliance requirements still vary widely from one state to another. Differences in interpretation, timelines, and enforcement increase compliance burden and make multi-state operations harder to manage.

Land Acquisition and Property Challenges

Access to land remains a major hurdle. Delays in approvals, unclear titles, and slow record updates increase project risk and raise costs, particularly for manufacturing and infrastructure projects.

Judicial Delays and Contract Enforcement

Slow dispute resolution remains a concern. Court backlogs and lengthy legal processes affect contract enforcement, increasing uncertainty for investors and businesses entering long-term agreements.

Infrastructure Gaps in Select Regions

While national infrastructure has improved, some regions still face unreliable power supply, transport bottlenecks, and limited last-mile connectivity, which can disrupt operations.

Inconsistent On-Ground Implementation

Policy intent does not always translate smoothly into practice. Delays, manual intervention, and uneven adoption at local levels continue to affect business confidence.

Implementation Challenges on the Ground

Even well-designed reforms can lose impact if execution is uneven. Many ease-of-doing-business improvements face challenges at the implementation stage, where businesses interact with local authorities and systems.

Gap Between Policy and Practice

Rules and digital systems often look efficient on paper, but actual experience can differ. Delays happen when officials follow older procedures alongside new ones, creating confusion and extra steps for businesses.

Uneven Adoption Across States and Cities

Some states and large cities have adopted reforms faster than others. Smaller towns and industrial clusters may still rely on manual processes, leading to inconsistent timelines and outcomes for similar applications.

Limited Coordination Between Departments

Lack of coordination across departments can slow approvals. When systems are not fully integrated, businesses are asked to submit the same information multiple times, increasing effort and delays.

Capacity and Training Gaps

Officials handling new digital tools may not receive enough training. This affects response time, clarity of guidance, and grievance resolution, reducing the overall benefit of reforms.

Feedback Not Reaching Policymakers

Businesses often face issues on the ground but lack clear channels to report them. Without strong feedback loops, recurring problems remain unaddressed and reforms lose momentum.

The Future of Ease of Doing Business: EoDB 2.0

The next phase of reforms focuses on making business processes smoother, faster, and more predictable. EoDB 2.0 is about fixing gaps in execution and using technology to reduce friction across the full business lifecycle.

Integrated Digital Governance

Future reforms aim to fully connect central and state systems. When databases, approvals, and compliance portals work together, businesses will not need to repeat the same submissions. This integration can reduce delays and improve decision-making across departments.

Standardisation of Rules and Timelines

A key goal is to align rules, fees, and timelines across states. Standard processes help businesses plan better, especially when operating in multiple locations. Clear service timelines also improve accountability and trust.

Removal of Legacy Procedures

Many older processes still exist alongside digital systems. EoDB 2.0 focuses on removing outdated approvals, physical inspections, and manual renewals that no longer add value.

Data-Driven Policy Making

Using real-time data from digital platforms can help governments spot bottlenecks and fix them quickly. Feedback-based assessments will guide future reforms and improve on-ground outcomes.

Focus on Seamless End-to-End Experience

The aim is to ensure that starting, operating, expanding, and exiting a business feels connected and predictable. Reducing friction at each stage will support long-term investment and growth.

Long-Term Vision: India's Business Environment by 2030–2047

cIndia's long-term business vision is tied to building a stable, competitive, and investment-friendly economy. The goal is not only to grow faster, but to make business systems predictable, transparent, and efficient across sectors and states.

Building Toward a Multi-Trillion Dollar Economy

India's reforms are linked to ambitious growth targets, supported by stronger infrastructure, better compliance systems, and wider formalisation of business activity. A smoother business environment helps attract investment, improves productivity, and supports faster scaling across industries.

Becoming a Global Manufacturing and Services Hub

Policies such as Make in India and targeted incentives aim to strengthen India's role in global supply chains. Better logistics, faster approvals, and improved contract enforcement are expected to help manufacturing expand, while services growth continues through IT, fintech, and emerging tech sectors.

Stronger Role of Technology and Innovation

Long-term competitiveness will depend on innovation capacity. Faster intellectual property processes, support for research, and digital governance can strengthen India's position in high-value industries and new-age business models.

Growth Through Public–Private Partnerships

Large-scale progress in infrastructure and innovation will require strong public–private collaboration. PPPs can help develop transport networks, industrial corridors, and digital systems that reduce business costs and improve efficiency.

More Consistent Reform Implementation Across States

By 2030–2047, the main expectation is uniform execution. Businesses should experience similar approval timelines and compliance processes regardless of location. This consistency will be a key measure of reform success.

Conclusion

India's ease of doing business has moved beyond fixing basic entry barriers. Reforms today focus on digital systems, infrastructure, and competitiveness, creating strong opportunities across sectors. At the same time, gaps in land processes, judicial speed, labour rules, and state-level execution still affect business confidence.

The future lies in EoDB 2.0, where reforms work smoothly on the ground, systems are fully integrated, and rules are consistent across regions. If implementation keeps pace with policy intent, India can build a predictable and efficient business environment that

supports long-term investment, innovation, and sustainable economic growth through 2030 and beyond.

FAQs

How Is India Measuring Ease Of Doing Business After Global Rankings Ended?

India now relies on internal benchmarks and reform outcomes instead of global rankings. Progress is tracked through frameworks like BRAP, state-level assessments, and feedback from businesses. The focus is on approval timelines, compliance reduction, digital adoption, and actual on-ground experience rather than score-based comparisons.

What Role Do States Play In Ease Of Doing Business Reforms?

States are central to implementing business reforms. They handle land records, local approvals, inspections, and utilities. Competitive federalism encourages states to improve processes and adopt digital systems faster. However, differences in execution across states still affect consistency for businesses operating in multiple locations.

Which Areas Still Create The Most Difficulty For Businesses?

Land acquisition, contract enforcement, and regulatory differences across states remain major challenges. Delays in courts, unclear land titles, and overlapping local rules increase risk and cost. These areas require deeper structural reform and better coordination to improve predictability for investors.

How Do Digital Reforms Improve Day-To-Day Business Operations?

Digital platforms reduce paperwork, limit physical visits, and improve transparency. Online tax filings, approval portals, and digitised records help businesses save time and avoid delays. When systems work smoothly, they also reduce discretion and improve consistency in decision-making.

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